

Message Text

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ORIGIN EB-08

INFO OCT-01 EA-10 ISO-00 COME-00 STR-07 EUR-12 INT-05
AGRE-00 TRSE-00 ITC-01 CEA-01 CIAE-00 INR-10
NSAE-00 INRE-00 SS-15 SSO-00 NSCE-00 SP-02 /072 R

DRAFTED BY EB/OT/TA:JRCUNNINGHAM:PRM
APPROVED BY EB/OT/TA:HKOPP
COMMERCE:WPENoyer
STR:WBARREDA
EA/J:MMEYERS

-----005976 172228Z /14

O 172200Z AUG 78
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO IMMEDIATE
INFO AMEMBASSY TAIPEI IMMEDIATE

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FOR ASST. STR LANDE

E.O. 11652: N/A

TAGS: ETRD, JA

SUBJECT: FOREST PRODUCTS - LANDE DISCUSSIONS WITH GOJ

1. DURING CONVERSATIONS WITH GOJ IT WOULD BE HELPFUL
IF YOU REVIEW FOLLOWING (A) STATUS OF FORESTRY AGENCY
LUMBER DEMAND FORECASTS. WAKA ASSURED PENoyer AND
CUNNINGHAM DURING HIS US TRIP THAT FORECASTS ARE NOT AND
WILL NOT BECOME A FORM OF ADMINISTRATIVE GUIDANCE.
CANADIAN GOVERNMENT OFFICIAL IN TELCON WITH CUNNINGHAM
IMPLIED THAT GOJ MAY BE CONTEMPLATING GOING FURTHER.
WE HAVE NO FIRM INFORMATION SO INQUIRY ON OPERATION OF
SCHEME WOULD BE APPROPRIATE.

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(B) DISCUSSION OF TERMS OF REFERENCE FOR JOINT GOVERNMENT
FOREST PRODUCTS REVIEW GROUP.

(C) INFORMATION ON HOUSING STARTS AND MOC PROGRESS TOWARD
MEETING BUILDING GOALS.

(D) DISCUSSION OF FORUM FOR CONTINUING DISCUSSION OF PLY-WOOD STANDARDS. HAVE JAPANESE DETERMINE WHETHER OR NOT

THEY WANT USG TO SHIP SAMPLE MATERIALS AS OFFERED JUNE 20 IN WASHINGTON?

(E) HAS GOJ HAD OPPORTUNITY FOR INFORMAL REACTION TO PROPOSED JOINT HOUSING COMMISSION?

2. WE BELIEVE NEXT STEP IN FOREST PRODUCTS AREA MUST BE A) VISIBLE PROGRESS TOWARD PURCHASE OF MORE HIGHLY PROCESSED GOODS AND B) FORMATION OF JOINT GOVERNMENT STUDY GROUP. FIRST OF THESE REQUIRE JAPANESE ACTION. YOU SHOULD INQUIRE ABOUT PROGRESS TO CONFIRM OUR CONTINUING INTEREST. "B" DEPENDS ON USG MAKING PROPOSAL. FURTHER DISCUSSION OF GOJ ATTITUDE WOULD BE HELPFUL.

3. GOJ TREATS FOREST PRODUCTS AS AGRICULTURAL THEREFORE IT WOULD BE APPROPRIATE IF MINISTER NAKAGAWA'S TEAM IS PREPARED TO DISCUSS TARIFFS ON THESE PRODUCTS DURING THEIR SEPTEMBER VISIT TO WASHINGTON. YOU MAY SUGGEST TO MAFF OFFICIALS OUR CONTINUED NEED FOR AN OFFER ON THESE PRODUCTS.

4. INDUSTRY SOURCES CONFIRM LOG PRICES IN US HAVE INCREASED RECENTLY IN RESPONSE TO GROWING DOMESTIC AS LIMITED OFFICIAL USE

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WELL AS EXPORT DEMAND. THEY DO NOT SEE ANY DISORDER IN THE MARKET.

5. EXPORT STATISTICS

- SOFTWOOD LOGS (000 MBF)

- JAN - JUNE ANNUALIZED 78 PCT CHANGE 77/78

KOREA	225	450	#122
JAPAN	1,341	2,682	# 9
OTHER	152	304	- 6
TOTAL	1,718	3,436	# 15

- SOFTWOOD LUMBER (000 MBF)

KOREA	2	4	#100
JAPAN	203	406	- 7
OTHER	498	996	# 2
TOTAL	703	1,406	- 1

6. ALTHOUGH ANNUALIZING 1978 FIGURES INDICATES 9 PERCENT

INCREASE IN LOG SHIPMENTS TO JAPAN OVER 1977, INDUSTRY EXPECTS VOLUME DURING LAST HALF OF 78 TO DROP 10-15 PERCENT BELOW FIRST HALF FIGURES FOR YEARLY TOTAL ABOUT EQUAL TO LAST YEAR.

YEAR, BUT RECENT INDICATIONS SHOW THIS MATERIAL IS NOT ENDING UP IN JAPAN AS SOME PEOPLE HAVE RECENTLY STATED. KOREA IS USING MUCH OF THIS MATERIAL THEMSELVES AND ALSO SENDING SOME LUMBER TO ARAB COUNTRIES. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WOOD PRODUCTS, BRIEFING MATERIALS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: JRCUNNINGHAM:PRM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780337-0128
Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780852/aaaabrgb.tel
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Review Exemptions: n/a
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TAGS: ETRD, JA
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Type: TE
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Review Markings:
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